Jointly Building Belt and Road towards SDGs

BRI and SDGs in Romania

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UN Sustainable Development Goals – Agenda 2030

- Romania’s National Strategy for Sustainable Development (2008) was reviewed to integrated the SDGs

- Institutional architecture in place: inter-ministerial Committee led by Vice PM, Ministry of Environment, subcommittee/ SD in parliament, Department/ SD under PM’s office
Global Energy Transition

“one of the undercurrents of change that will redraw the geopolitical map of the 21st century” (IRENA)

• Key (known) drivers: efficiency, RES, natural gas, nuclear, electrification
• Transition from dirty to **clean** energy
• Decarbonizing the economy
• Ambitious energy policies
• Massive investments (for Romania, min. €15 Billion - max. € 30 Billion until 2030)
• Cross-sectoral effort (energy, transport, industry, buildings, IT, research and innovation, cities)
• Radical changes in behavior
• Leadership & difficult decisions
• Deep transformations of energy systems for a **climate neutral economy**
Romania as part of EU (leader in clean energy)

Key EU targets for 2030: (part of the Energy Union and EU’s implementation of the Paris Agreement):

- Min. **40%** cut in GHG emissions (from 1990 level)
- Min. **32%** share of RES
- Min. **32.5%** improvement in energy efficiency

Collectively achieving the *Paris Agreement* climate goals requires no coal in EU power generation by 2030, i.e.:

going from **143 MW** of installed coal capacity in EU today → zero by 2030
EU net coal capacity: 2019 vs 2030 projection (based on draft INECPs)

Of the 28 EU Member States:
- **7 are coal-free** (Belgium, Cyprus, Estonia, Latvia, Lithuania, Luxembourg, Malta)
- **21 have coal plants**:

Source: “Just Transition or Just Talk?”, CAN & Sandbag study, May 2019
Romania: overview of ongoing efforts

RES
- 5 GW of green installed capacity
- EUR 8 Billion invested in RES

Natural gas base
- New finds (onshore & offshore)

Nuclear
- Unit 3 and 4 of Cernavoda NPP if built, nuclear may account for up to 36% of emission-free electricity generation

Energy Efficiency (buildings)
- EUR 1 billion available for building insulation during 2014-2020 (EU funds)
Romania: challenges ahead

**Energy:**
- Coal phase-out
- District Heating modernization
- Renewable energy for heating
- Energy poverty
- Affordability
- Energy efficiency (across the board)
- New infrastructure

**Social:**
- Social exclusion
- High poverty rate (24% after social transfers, 48% without social transfer)
- Absolute poverty (4.6 million people)
- Vulnerable consumers (min. 1 million)
BRI in Romania

- Strategic sectors: energy, transport, agriculture

- 4 big energy infrastructure projects:
  - **Nuclear**: investment in unit 3&4 at Cernavoda NPP (7.2 billion EUR);
  - **Coal-fired unit at Rovinari** (new): China Huadian Group investment in a new 600 MW coal-fired unit at Rovinari (worth up to EUR 1 Billion). Negotiations started in 2012, were suspended in 2016, have restarted at the end of 2018, stalled in summer 2019.
  - **Coal-fired** units (upgrade) at Deva power plant (270 million USD). Abandoned.
  - **Hydro**: Pumped storage hydro power plant (PSHPP) Tarnita - Lapustesti (4 x 250 MW, a green field investment estimated at 1 Billion EUR (without VAT). Highly unlikely to materialize.

- **Road infrastructure**: **Ploiesti-Brasov** (PPP, not yet signed)
- **Railway infrastructure**: n/a
BRI in Romania

- Slow progress
- Difficulties
- Inability to convert a great political capital into functional projects
- Sensitive field (nuclear)
- Sectors which will most likely be downsized in next 10 years (coal)
- Too little focus on green energy and out of sync with market (peak years for wind & solar projects in Romania were 2012-2013, before BRI was launched)
- Big costly projects which involve G2G cooperation: little progress, but smaller projects w/o G2G are going better (pre-BRI investments)
- Different expectations (state guarantees vs competitive tenders, public acquisition, transparency, job creation for Romanians)
- Romania’s lack of experience with PPP model (ex: roads)
- Negative public perception (investment in “dirty” sources of energy)
- Domestic issues: political instability, high turnover of Ministers, contested tenders which cause delay
BRI & SDGs synergy → energy transition
Thank you.

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